

Message Text

UNCLASSIFIED

PAGE 01 PARIS 28068 242045Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03

H-02 PA-02 PRS-01 /101 W

----- 112659

R 241651Z SEP 76

FM AMEMBASSY PARIS

TO DEPARTMENT OF TREASURY

INFO SECSTATE WASHDC 5351

UNCLAS PARIS 28068

PASS FEDERAL RESERVE AND COMMERCE

E.O. 11652: N/A

TAGS: EFIN, FR

SUBJECT: GOF TIGHTENS FOREIGN EXCHANGE CONTROL REGULATIONS
AND INCREASES INTEREST RATES

AS PART OF THE BARRE PLAN TO STRENGTHEN THE FRANC AND TO
TIGHTEN CREDIT, THE GOF ON THURSDAY TIGHTENED SEVERAL FOREIGN
EXCHANGE CONTROL REGULATIONS AND INCREASED SEVERAL KEY MONEY RATES.

THE FOLLOWING CHANGES WERE MADE IN FOREIGN EXCHANGE REGU-
LATIONS.

1) THE DURATION OF FORWARD EXCHANGE PURCHASES AUTHORIZED TO
IMPORTERS AND EXPORTERS HAS BEEN REDUCED FROM THREE TO TWO MONTHS.

2) IMPORTERS WILL BE ABLE TO BUY SPOT FOREIGN EXCHANGE ONLY
EIGHT DAYS IN ADVANCE OF PAYMENT FOR THEIR IMPORTS, INSTEAD OF
A MONTH AS HAD BEEN PREVIOUSLY AUTHORIZED.

3) THE DELAY IN REPATRIATION AND TRANSFER OF FOREIGN EXCHANGE
RECEIPTS, IMPOSED ON RESIDENTS, REMAINS FIXED AT A MONTH, BUT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 28068 242045Z

FINANCIAL INTERMEDIARIES ARE OBLIGATED, HENCEFORTH, TO TRANSFER

FOREIGN EXCHANGE WITHIN EIGHT DAYS AFTER RECEIPT OF THE FUNDS.

4) THE CEILING ON TRANSFERS AUTHORIZED FOR THE ACQUISITION OF A SECONDARY RESIDENCE ABROAD HAS BEEN DECREASED FROM FF 300,000 TO FF 150,000.

THE FOLLOWING INTEREST RATES WERE INCREASED:

1) DISCOUNT RATE, FROM 9.5 TO 10.5 PERCENT.

2) COMMERCIAL TAUX DE BAS (ROUGHLY EQUIVALENT TO U.S. PRIME RATE), FROM 9.2 TO 9.6 PERCENT.

3) RATE ON SECURED LOANS GRANTED TO ALL BORROWERS OTHER THAN THOSE ENTERPRISES WHICH DEAL ON THE MONEY MARKET, FROM 10.5 TO 11PERCENT.

4) RATE ON SECURED; LOANS TO ENTERPRISES OPERATING IN THE MONEY MARKET, FROM 12 TO 13 PERCENT. THESE INSTITUTIONS INCLUDE BANKS; SOME, BY NO MEANS ALL, INSURANCE COMPANIES; AND A VERY FEW OTHER INSTITUTIONS, MAINLY BROKERAGE FIRMS ON A SPECIAL AND RESTRICTED BASIS.

RUSH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, POLICIES, FOREIGN EXCHANGE CONTROLS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PARIS28068
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760362-1178
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760923/aaaaates.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 10 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 MAY 2004 by MaustMC>; APPROVED <22 DEC 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOF TIGHTENS FOREIGN EXCHANGE CONTROL REGULATIONS AND INCREASES INTEREST RATES AS PART OF THE BARRE PLAN TO STRENGTHEN THE FRANC
TAGS: EFIN, FR, (BARRE, RAYMOND)
To: TRSY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006